Meyers, Dennis

From:

Hill, Mark

Sent:

Thursday, August 23, 2012 11:05 AM

To: Cc:

PBMSK; APBMS Meyers, Dennis

Subject:

SB 617 Regulation Pipeline survey

As part of the work of developing the regulations Finance must adopt on how departments are to do their cost and benefits analysis for major regulations, we want to survey the departments that are likely to have major regulations in the foreseeable future to find out what may be coming and when. This will help us focus our efforts on the types of cost and benefits likely to be affected by the regulations. We also are trying to get an idea of how constrained the regulations will be by the authorizing law and how much of a conflict there may be between those constraints and the general law in SB 617 that directs departments to develop alternatives and select those that have the least cost to business and individuals while meeting the statutory objective.

What I'm asking you to do is send out the attachments in e-mails to the department directors and/or chief deputies of the departments under your purview on the attached spreadsheet. Then fill in the e-mail addresses that you sent it to and send it back to me. If a chief counsel or regulation coordinator exists who you think might be more knowledgeable, they could be sent this also. Please send it to appropriate Agency staff so they will be aware of it also. This is intended to be a quick and simple survey, not something that should require a lot of work or take much research. Program people should know what they have on their plates. This is designed to be e-mailed out and e-mailed back to me. Some response, even N/A is good to know. We are asking for responses by September 7. If we don't get some of the major departments to respond, I may ask that you give them a few reminders.

Here are the pieces:



Likely Major Regs Survey Trans...



Possible Major Regulation Surv...



Significant law changes made b...

Here's the list of departments I think may be good candidates. If you know otherwise, let me know.

Survey departments.xls

Inventory of Upcoming Major Regulations

The purpose of this survey is to determine which departments may be submitting major regulations subject to Chapter 496, Statutes of 2011 (SB 617) in the next several years, what the likely scope and authority for those regulations is, and what constraints the law authorizing those regulations puts on the department's ability to comply with the intent of SB 617. Major regulations are defined for the purposes of this survey as those with estimated fiscal impact on any portion of the private sector in excess of \$50 million per year. If, for instance, some individuals have costs totaling \$60 million in the first year but there are savings to other individuals in the same year of \$40 million, this would still be a major regulation.

Department of Finance is charged with developing a set of regulations to be in place by November 1, 2013 to specify standard methodologies to determine the economic effects and benefits of regulations on the private sector for major regulations. SB 617 provides that departments should select regulatory alternatives that provide the least burden on the private sector that ensures compliance with the law.

Department of Finance will use the results of this survey to focus its conversations with departments, individuals, and businesses likely to be significantly affected by SB 617. Finance staff expects to conduct reviews of existing and expected regulation development and analysis practices to document the range of current approaches, their pros and cons, identify if there are already consensus best practices, and identify where proven approaches exist that could be used as standards.

A form for this survey is provided as Attachment A. A separate form should be filled out for each potential regulation. This can be filled out by replacing the parenthetical instructions with your responses and e-mailing the form to Mark.Hill@dof.ca.gov. Please cc the agency secretary's office. If you know of no major regulations likely to be developed by your department in the next 10 years, an e-mail saying that would be appreciated.

Please return your responses by September 7, 2012.

For reference, excerpts from SB 617 showing its major changes are included as Attachment B.

Finance staff believe that some statutes prescribe very limited authority to adopt regulations and provide significant direction on the nature of the regulations to be adopted, which may preclude some otherwise viable options that could reduce private sector cost or achieve greater overall benefits. SB 617 specifically precludes reassessing the existing statutory policy as part of the regulation review process. One part of this survey is to assess whether such constraints are likely to affect major regulations in the near-term pipeline. It is also likely that relatively few regulations will have fiscal impacts exceeding \$50 million. Thus Finance will be initially seeking to focus on specifying analytical approaches for those subject matter areas that could be meaningfully impacted by SB 617.

This survey should be sent to departments where there has been regulatory activity in the past that could have had impacts exceeding \$50 million per year or where such regulatory activity is possible in the future. This survey will also be provided to Agency

Secretaries and they should assure that departments provide reasonably complete, accurate, and timely responses. Department directors should assign the work of completing this short survey to persons knowledgeable about both the analytical practices likely to be used in future regulatory work and the legal constraints state or federal law puts on the nature of alternatives that can be used to comply with the specific regulatory authority or mandate. Generally the regulations described in this survey should be ones that are required or authorized by existing law and are likely to be proposed in the next ten years. This would include any major revisions or re-adoptions of existing regulations. If some details of the constraints on the regulations are not currently known, because federal agencies or others have yet to specify requirements, please note that in your responses.

If you have questions, please call Mark Hill at (916) 322-2263.

Department	
Regulation Title	(a short title for the regulation or regulatory program)
Authority	(cite code sections)
Description	(brief description of what the possible regulation would do, what type of person or entity is subject to the regulation)
Contacts	(names, phone numbers and e-mail addresses of the individuals filling out the survey and others who can be contacted for more information)
Development Start Date	(likely month and year, if known, when work on developing the regulation, including informal consultation and fact finding, is likely to begin, if this has already started, the month when work started)
Regulation Adoption Date	(likely date for the regulation to become final)
Benefits	(briefly describe the types of outcomes that could be benefits)
Costs and Impacts	(describe the types of impacts that cause costs to both public and private sectors and other negative impacts that may not be monetized)
Statutory Constraints	Specifies the utilization of a specific technology or other intervention at the maximum feasible or a specified level
(put an "X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time
,	Specifies a process for developing the regulation that constrains the outcome

	Requires meeting an objective by a specified time
	Prohibits consideration of costs
	Defines who or what is to be regulated
	Prescribes the method of the regulation or specifically proscribes certain approaches
	Requires a single standard applicable to all without exception or variation
	Requires meeting a specific overall target
	Requires meeting a general goal
	Provides general authority and no target
	Specifically allows or requires consideration of costs
	Limits the fiscal impact
	Allows market mechanisms
	Allows exemptions or differential application
	Allows differential timing of application
	Others (describe)
Subject to Administrative Procedures Act?	(describe any exemption from all or part of the Administrative Proceedures Act and the statutory source of that exemption)

E-mail addresses

Director

Chief Deputy

Chief Counsel

Regulation Coordinator

Natural Resources and Environment

Energy Resources Conservation and Development Commission
Department of Conservation
Department of Resources Recycling and Recovery
Department of Forestry and Fire Protection
Department of Fish and Game
California Coastal Commission
Department of Water Resources
Delta Stewardship Council

Cal-EPA

ARB

California Integrated Waste Managment Board Department of Pesticide Regulation State Water Resources Control Board Department of Taxic Substance Control Office of Environmental Health Hazard Assessment

Health and Human Services

Emergency Medical Services Authority
Office of Statewide Health Planning and Development
Department of Health Care Services
Department of Public Health
Department of Managed Care
Department of Developmental Services
California Health Benefits Exchange
Department of Rehabilitation
Department of SocialServices

Corrections and Rehabilitation

Board of State and Community Corrections

Education

Commission on Teacher Credentialling

Labor and Workforce Development

Employment Development Department Agricultural Labor Relations Board Department of Industrial Relations

State and Consumer Services

Department of Consumer Affairs Franchise Tax Board General Services

Business, Transportation and Housing

Department of Financial Institutions
Department of Alcoholic Beverage Control
Department of Corporations
Department of Housing and Community Development
Office of Real Estate Appraisers
Department of Real Estate

Commission on Peace Officer Standards and Training Public Employment Relations Board Board of Chiropractic Examiners
Department of Food and Agriculture
Public Utilities Commission
Department of Justice
Department of Insurance
California Gambling Control Comission
State Board of Equalization
Secretary of State

Significant law changes made by SB 617

- GC 11342.548. "Major regulation" means any proposed adoption, amendment, or repeal of a regulation subject to review by the Office of Administrative Law pursuant to Article 6 (commencing with Section 11349) that will have an economic impact on California business enterprises and individuals in an amount exceeding fifty million dollars (\$50,000,000), as estimated by the agency.
- 11346.2 (b) An initial statement of reasons for proposing the adoption, amendment, or repeal of a regulation. This statement of reasons shall include, but not be limited to, all of the following:
- (1) A statement of the specific purpose of each adoption, amendment, or repeal repeal, the problem the agency intends to address, and the rationale for the determination by the agency that each adoption, amendment, or repeal is reasonably necessary to carry out the purpose and address the problem for which it is proposed. The statement shall enumerate the benefits anticipated from the regulatory action, including the benefits or goals provided in the authorizing statute. The benefits may include, to the extent applicable, nonmonetary benefits such as the protection of public health and safety, worker safety, or the environment, the prevention of discrimination, the promotion of fairness or social equity, and the increase in openness and transparency in business and government, among other things.
- (2) For a major regulation proposed on or after January 1, 2013, the standardized regulatory impact analysis required by Section 11346.3.
- (5) (A) Reasonable alternatives to be considered include, but are not limited to, alternatives that are proposed as less burdensome and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the authorizing statute or other law being implemented or made specific by the proposed regulation.
- 11346.3 (a) (3) An economic analysis prepared pursuant to this subdivision for a proposed regulation that is not a major regulation or that is a major regulation proposed prior to November 1, 2013, shall be prepared in accordance with subdivision (b)
- (b) (1) (D) The benefits of the regulation to the health and welfare of California residents, worker safety, and the state's environment.
- (a) (3)An economic analysis prepared pursuant to this subdivision for a major regulation proposed on or after November 1, 2013, shall be prepared in accordance with subdivision (c), and shall be included in the initial statement of reasons as required by Section 11346.2.
- (c) (1) Each state agency proposing to adopt, amend, or repeal a major regulation on or after November 1, 2013, shall prepare a standardized regulatory impact assessment in the manner prescribed by the Department of Finance pursuant to Section 11346.36. The standardized regulatory impact analysis shall address all of the following:
- (A) The creation or elimination of jobs within the state.

- (B) The creation of new businesses or the elimination of existing businesses within the state.
- (C) The competitive advantages or disadvantages for businesses currently doing business within the state.
- (D) The increase or decrease of investment in the state.
- (E) The incentives for innovation in products, materials, or processes.
- (F) The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency.
- (2) This subdivision shall not apply to the University of California, the Hastings College of the Law, or the Fair Political Practices Commission.
- (3) Information required from state agencies for the purpose of completing the assessment may be derived from existing state, federal, or academic publications.
- (e) Analyses conducted pursuant to this section are intended to provide agencies and the public with tools to determine whether the regulatory proposal is an efficient and effective means of implementing the policy decisions enacted in statute or by other provisions of law in the least burdensome manner. Regulatory impact analyses shall inform the agencies and the public of the economic consequences of regulatory choices, not reassess statutory policy. The baseline for the regulatory analysis shall be the most cost-effective set of regulatory measures that are equally effective in achieving the purpose of the regulation in a manner that ensures full compliance with the authorizing statute or other law being implemented or made specific by the proposed regulation.
- (f) Each state agency proposing to adopt, amend, or repeal a major regulation on or after November 1, 2013, and that has prepared a standardized regulatory impact assessment pursuant to subdivision (c), shall submit that assessment to the Department of Finance upon completion. The department shall comment, within 30 days of receiving such assessment, on the extent to which the assessment adheres to the regulations adopted pursuant to Section 11346.36. Upon receiving the comments from the department, the agency may update its analysis to reflect any comments received from the department and shall summarize the comments and the response of the agency along with a statement of the results of the updated analysis for the statement required by paragraph (10) of subdivision (a) of Section 11346.5.
- **11346.36.** (a) Prior to November 1, 2013, the Department of Finance, in consultation with the office and other state agencies, shall adopt regulations for conducting the standardized regulatory impact analyses required by subdivision (c) of Section 11346.3.
- (b) The regulations, at a minimum, shall assist the agencies in specifying the methodologies for:
- (1) Assessing and determining the benefits and costs of the proposed regulation, expressed in monetary terms to the extent feasible and appropriate. Assessing the value of nonmonetary benefits such as the protection of public health and safety, worker safety, or the environment, the prevention of discrimination, the promotion of fairness or

social equity, the increase in the openness and transparency of business and government and other nonmonetary benefits consistent with the statutory policy or other provisions of law.

- (2) Comparing proposed regulatory alternatives with an established baseline so agencies can make analytical decisions for the adoption, amendment, or repeal of regulations necessary to determine that the proposed action is the most effective, or equally effective and less burdensome, alternative in carrying out the purpose for which the action is proposed, or the most cost-effective alternative to the economy and to affected private persons that would be equally effective in implementing the statutory policy or other provision of law.
- (3) Determining the impact of a regulatory proposal on the state economy, businesses, and the public welfare, as described in subdivision (c) of Section 11346.3.
- (4) Assessing the effects of a regulatory proposal on the General Fund and special funds of the state and affected local government agencies attributable to the proposed regulation.
- (5) Determining the cost of enforcement and compliance to the agency and to affected business enterprises and individuals.
- (6) Making the estimation described in Section 11342.548.
- (c) To the extent required by this chapter, the department shall convene a public hearing or hearings and take public comment on any draft regulation. Representatives from state agencies and the public at large shall be afforded the opportunity to review and comment on the draft regulation before the regulation is adopted in final form.
- (d) State agencies shall provide the Director of Finance and the office ready access to their records and full information and reasonable assistance in any matter requested for purposes of developing the regulations required by this section. This subdivision shall not be construed to authorize an agency to provide access to records required by statute to be kept confidential.
- (e) The standardized regulatory impact analysis prepared by the proposing agency shall be included in the initial statement of reasons for the regulation as provided in subdivision (b) of Section 11346.2.
- (f) On or before November 1, 2013, the department shall submit the adopted regulations to the Senate and Assembly Committees on Governmental Organization and shall publish the adopted regulations in the State Administrative Manual.

11346.5.

- (a) The notice of proposed adoption, amendment, or repeal of a regulation shall include the following:
- (C) A policy statement overview explaining the broad objectives of the regulation and, if appropriate, the specific objectives, and the specific benefits anticipated by the proposed adoption, amendment, or repeal of a regulation, including, to the extent applicable, nonmonetary benefits such as the protection of public health and safety, worker safety, or the environment, the prevention of discrimination, the promotion of fairness or social

- equity, and the increase in openness and transparency in business and government, among other things.
- (D) An evaluation of whether the proposed regulation is inconsistent or incompatible with existing state regulations.
- (10) A statement of the results of the economic impact assessment required by subdivision (b) of Section 44346.3. 11346.3 or the standardized regulatory impact analysis if required by subdivision (c) of Section 11346.3, a summary of any comments submitted to the agency pursuant to subdivision (f) of Section 11346.3 and the agency's response to those comments.
- (13) A statement that the adopting agency must determine that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the action is proposed or proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. For a major regulation, as defined by Section 11342.548, proposed on or after November 1, 2013, the statement shall be based, in part, upon the standardized regulatory impact analysis of the proposed regulation, as required by Section 11346.3, as well as upon the benefits of the proposed regulation identified pursuant to subparagraph (C) of paragraph (3).
- 11346.9. Every agency subject to this chapter shall do the following:
- (a) Prepare and submit to the office with the adopted regulation a final statement of reasons that shall include all of the following:
- (4) A determination with supporting information that no alternative considered by the agency would be more effective in carrying out the purpose for which the regulation is proposed or proposed, would be as effective and less burdensome to affected private persons than the adopted regulation, regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. For a major regulation, as defined by Section 11342.548 proposed on or after November 1, 2013, the determination shall be based, in part, upon the standardized regulatory impact analysis of the proposed regulation and, in part, upon the statement of benefits identified in subparagraph (C) of paragraph (3) of subdivision (a) of Section 11346.5.
- (5) An explanation setting forth the reasons for rejecting any proposed alternatives that would lessen the adverse economic impact on small businesses. The agency shall include, as supporting information, the standardized regulatory impact analysis for a major regulation, if required by subdivision (c) of Section 11346.3, as well as the benefits of the proposed regulation identified pursuant to paragraph (3) of subdivision (a) of Section 11346.5.
- **11349.1.** (d) The office shall return any regulation subject to this chapter to the adopting agency if any of the following occur:

- 2) The agency has not complied with Section 11346.3. "Noncompliance" means that the agency failed to complete the economic impact assessment or standardized regulatory impact analysis required by Section 11346.3 or failed to include the assessment or analysis in the file of the rulemaking proceeding as required by Section 11347.3.
- (4) The proposed regulation conflicts with an existing state regulation and the agency has not identified the manner in which the conflict may be resolved.
- (5) The agency did not make the alternatives determination as required by paragraph (4) of subdivision (a) of Section 11346.9.
- (g) subdivision shall not limit the review of regulations under this article, including, but not limited to, the conformity of rulemaking files to subdivisions (a) and (b) of Section 11347.3. Notwithstanding any other law, return of the regulation to the adopting agency by the office pursuant to this section is the exclusive remedy for a failure to comply with subdivision (c) of Section 11346.3 or paragraph (10) of subdivision (a) of Section 11346.5.

Section 11349.1.5 is added to the Government Code, to read:

11349.1.5.

- (a) The Department of Finance and the office shall, from time to time, review the standardized regulatory impact analyses required by subdivision (c) of Section 11346.3 and submitted to the office pursuant to Section 11347.3, for adherence to the regulations adopted by the department pursuant to Section 11346.36.
- (b) On or before November 1, 2015, the office shall submit to the Senate and Assembly Committees on Governmental Organization a report describing the extent to which submitted standardized regulatory impact analyses for proposed major regulations adhere to the regulations adopted pursuant to Section 11346.36. The report shall include a discussion of agency adherence to the regulations as well as a comparison between various state agencies on the question of adherence. The report may also include any recommendations from the office for actions the Legislature might consider for improving state agency performance.
- (c) In addition to the report required by subdivision (b), the office may notify the Legislature of noncompliance by a state agency with the regulations adopted pursuant to Section 11346.36, in any manner or form determined by the office.

Department	California Board of Forestry and Fire Protection – California
	Department of Forestry and Fire Protection
Regulation	"State Responsibility Area Fire Prevention Benefit Fee"
Title	
Authority	Title 14 California Code of Regulations, Chapter 13, Sections 1665.1-
	1665.8. Authorized by Public Resources Code Section 4210, et seq.
Description	The regulation creates procedures for implementation and collection of
	an annual fee for State fire prevention services in designated State
	Responsibility Areas (SRA). The annual fee is to be collected from all
	property owners with one or more "habitable structures" in SRA.
Contacts	Eric Huff, Regulations Coordinator
	CAL FIRE-Board of Forestry and Fire Protection
	P.O. Box 944246
	Sacramento, CA 94244-2460
	916-616-8643; eric.huff@fire.ca.gov
	George Gentry, Executive Officer
	Board of Forestry and Fire Protection
	Same address as above
	916-653-8007; george.gentry@fire.ca.gov
Development	Emergency regulations are expected to remain in effect until January
Start Date	2013. "Permanent" regulations through the normal APA rulemaking
	process that would succeed the emergency adoption are in
	development. An initial hearing on a 45-day Notice of Rulemaking is
	expected to occur in December 2012.
Regulation	The succeeding "permanent" regulations could be adopted on
Adoption Date	December 7, 2012 and become effective in January 2013.
Benefits	The fire prevention activities of the California Department of Forestry
	and Fire Protection would be funded by the service fee rather than the
	State's General Fund. Fire prevention activities include public
	education, fuel hazard reduction and strategic fuel break development
	to create fire-resilient landscapes, defensible space creation around
	structures, and homeowner compliance inspections, among other
	things.
Costs and	The annual fee collected from owners of "habitable structures" in SRA
Impacts	is \$150.00 per structure with a possible deduction of \$35.00 per
	structure where a homeowner is part of a local service district that
	provides fire prevention services. It is estimated that there are nearly
	800,000 habitable structures in SRA that would generate
	approximately \$85 million dollars in fees. Annual combined

	administrative costs incurred by the Board and Department of Forestry and Fire Protection, and Board of Equalization is estimated at \$14
	million dollars.
Statutory Constraints	Specifies the utilization of a specific technology or other intervention at the maximum feasible or a specified level
(put an "X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time
,	Specifies a process for developing the regulation that constrains the outcome
	X Requires meeting an objective by a specified time
	Prohibits consideration of costs
	X Defines who or what is to be regulated
	Prescribes the method of the regulation or specifically proscribes certain approaches
	Requires a single standard applicable to all without exception or variation
	X Requires meeting a specific overall target
	Requires meeting a general goal
	Provides general authority and no target
	Specifically allows or requires consideration of costs
	Limits the fiscal impact
	Allows market mechanisms
	X Allows exemptions or differential application
	Allows differential timing of application
	Others (describe)

Subject to	Fully subject to APA.
Administrative	
Procedures	
Act?	

Department	Public Health
Regulation Title	Drinking Water Maximum Contaminant Level (MCL) for Hexavalent Chromium
Authority	Health and Safety Code, sections 131052, 131200, 116365, 116365.5, 116375, et al.
Description	Establish an MCL for Hexavalent Chromium. The regulation would require applicable Public Water Systems (water companies supplying drinking water for the public) to comply with the standard.
Contacts	David Mazzera, david.mazzera@cdph.ca.gov, 916-449-5600 Michael McKibben, Michael.McKibben@cdph.ca.gov, 619-525-4023
Development Start Date	Development began, in July 2011, but has been on-going to some extent for a number of years.
Regulation Adoption Date	Rough estimate: July 2014
Benefits	Reduction in risk of cancer/cancer cases from human exposure to hexavalent chromium in drinking water.
Costs and Impacts	 Costs for compliance monitoring (e.g. collecting and analyzing samples to determine compliance with the MCL); Costs for treatment to remove hexavalent chromium for public water systems out-of-compliance with the MCL; Costs for operation and maintenance of treatment facilities.
Statutory Constraints	Specifies the utilization of a specific technology or other intervention at the maximum feasible or a specified level
(put an "X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time
,	Specifies a process for developing the regulation that constrains the outcome
	X Requires meeting an objective by a specified time

Prohibits consideration of costs Defines who or what is to be regulated Χ Prescribes the method of the regulation or specifically Χ proscribes certain approaches Requires a single standard applicable to all without exception Χ or variation Requires meeting a specific overall target Χ Requires meeting a general goal Provides general authority and no target Specifically allows or requires consideration of costs Χ Limits the fiscal impact Χ Allows market mechanisms Allows exemptions or differential application Χ Allows differential timing of application Others (describe) Subject to *The proposed regulations directly impact public drinking water Administrative systems. Pursuant to Government Code Chapter 3.5, Article 2, Procedures Section 11342.610(b)(8), public water systems (i.e. utilities/water Act? companies) are excluded from the definition of small businesses. As a result, the subject regulation may not meet the definition of a major regulation, regardless of costs to the regulated community. Health and Safety Code, Section 116365.01, limits Department of Finance review of subject regulation to 90 days.

Department	California Energy Commission, within Natural Resources Agency
Regulation Title	Existing Buildings Energy Efficiency Program
Authority	Public Resources Code §§ 25213, 25943
Description	Regulations establishing a comprehensive program to achieve greater energy savings from the state's existing buildings.
Contacts	Pedro Gomez Pedro.Gomez@energy.ca.gov (916) 654-5106
Development Start Date	Unknown at this time. The program is envisioned to develop over three distinct and overlapping phases. In developing and implementing the program, the Energy Commission will coordinate with the California Public Utilities Commission, and will consult with representatives of local governments, the construction, utility, finance, real estate, workforce development, small business and other industries.
Regulation Adoption Date	Unknown at this time.
Benefits	The regulations significantly reduce energy consumption in the state. This reduces utility costs for consumers and businesses, and benefits the environment. This furthers the policies expressed in Public Resources Code §§25000.1, subd. (b), and 25002.
Costs and Impacts	Unknown at this time. However, the program must consider cost- effective means, minimize the overall costs of implementing the program requirements, and avoid an undue impact on California businesses. Public Resources Code § 25943.
Statutory Constraints	Specifies the utilization of a specific technology or other intervention at the maximum feasible or a specified level
(put an"X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time
	Specifies a process for developing the regulation that constrains the outcome

	Requires meeting an objective by a specified time
	Prohibits consideration of costs
	X Defines who or what is to be regulated
	Prescribes the method of the regulation or specifically proscribes certain approaches
	Requires a single standard applicable to all without exception or variation
	Requires meeting a specific overall target
	X Requires meeting a general goal
	X Provides general authority and no target
	X Specifically allows or requires consideration of costs
	X Limits the fiscal impact
	X Allows market mechanisms
	X Allows exemptions or differential application
	X Allows differential timing of application
	Others (describe)
Subject to Administrative Procedures Act?	Yes

Department	California Energy Commission, within Natural Resources Agency
Regulation Title	Appliance Efficiency Standards
Authority	Public Resources Code §§ 25213, 25401.9, 25402, 25402, subd. (c)(1), 25402.5, 25402.5.4, subd. (a)
Description	Regulations that prohibit the sale or offer for sale in California of appliances that do not meet minimum efficiency standards and related requirements.
Contacts	Mike Leaon Mike Leaon@energy.ca.gov (916) 654-5168
Development Start Date	Regulations are regularly adopted for appliances whose use consume a significant amount of energy on a state-wide basis, or cause the unnecessary, uneconomical, inefficient, or wasteful consumption of energy.
Regulation Adoption Date	The Commission is considering regulations for many appliances. This will be achieved through multiple rulemakings. The first regulations are expected to be adopted in late 2013 with further rulemakings in 2014, 2015, and regularly into the foreseeable future.
Benefits	The regulations significantly reduce energy consumption in the state. This reduces utility costs for consumers and businesses, and benefits the environment. This furthers the policies expressed in Public Resources Code §§ 25000.1, subd. (b), and 25002.
Costs and Impacts	In some cases more efficient products are more expensive to buy than inefficient products. The regulations can therefore result in increased product prices in California. The regulations also require business to test and certify compliance to the Energy Commission and that retailers only sell certified products. This process requires resources from affected manufacturers and retailers. However, many of the regulations, including any adopted pursuant to Public Resources Code § 25402, subd. (c)(1), are cost-effective and result in no added total cost for the consumer over the design life of the product.
Statutory Constraints	Specifies the utilization of a specific technology or other intervention at the maximum feasible or a specified level
(put an"X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time

	X	Specifies a process for developing the regulation that constrains the outcome
		Requires meeting an objective by a specified time
		Prohibits consideration of costs
	X	Defines who or what is to be regulated
	X	Prescribes the method of the regulation or specifically proscribes certain approaches
		Requires a single standard applicable to all without exception or variation
		Requires meeting a specific overall target
	X	Requires meeting a general goal
	X	Provides general authority and no target
	X	Specifically allows or requires consideration of costs
	X	Limits the fiscal impact
	X	Allows market mechanisms
	X	Allows exemptions or differential application
	X	Allows differential timing of application
		Others (describe)
Subject to Administrative	Yes	
Procedures	ANN THE PROPERTY AND TH	
Act?		

Department	Fish and Game Commission (Commission)
Regulation Title	Potential Economic Impact of Commission Rulemakings using a Recreational Salmon Fishing example.
Authority	Sections 200, 202, 205, 215, 219, 220, 240, 315, and 316.5, Fish and Game Code.
Description	The Commission must be able to quickly enact or change regulations to ensure continued existence of an impacted population of native species.
	Department of Finance (DOF) is obligated to draft new regulations. The Commission is concerned that the new regulations may include new economic requirements that would otherwise work for other regulatory agencies, but could make it impossible for the Commission to quickly deal with resource protection issues.
	Commission rulemaking have the potential to end up with economic impacts that exceed \$50 million when emergency action is needed to provide protection for California natural resources or a new species is listed under the State or Federal endangered species acts.
	The Commission requests to be involved in the upcoming DOF rulemaking process.
	The following example is used to demonstrate the Commission's potential:
	Annually the Commission enacts rulemakings for recreational salmon fishing changes. Under a normal season, the economic range from negative to positive minimal impacts depending on the regulations ultimately adopted by the Commission. In 2008 and 2009, recreational salmon fisheries in marine waters and inland waters in the Central Valley rivers were closed by Commission action in concert with Federal action due to the unforeseen collapse of the Central Valley fall-run Chinook salmon population.
Contacts	Scott Barrow, sbarrow@fgc.ca.gov, (916) 653-4899
Development	TBD
Start Date	•

Regulation Adoption Date	TBD
Benefits	Adoption of scientifically-based fishing seasons, size limits, and bag and possession limits provide for the maintenance of sufficient populations of game fish to ensure their continued existence and allow for future recreational fishing opportunities for California citizens and the businesses that provide services to recreational fisherman.
Costs and Impacts	Recreational fishing expenditures contribute about \$2.7 billion in annual revenue to the State's business sector. This is based on a 2006 US Fish and Wildlife national survey of fishing, hunting, and wildlife associated recreation for California. Adding the indirect and induced effects of this annual revenue contribution and the total benefit to California's economy is normally about \$4.00 billion. This is equivalent to about \$1.7 billion in total wage earnings to Californians, and affects about 30,000 jobs in the State, annually. Under a normal season, the economic range from negative to positive minimal impacts depending on the regulations ultimately adopted by
	the Commission. In 2008 and 2009, all recreational salmon fisheries in marine waters and inland waters in the Central Valley rivers were closed. This two year closure of salmon fishing resulted in \$250 million economic loss for California recreational salmon fishermen and the businesses that serviced them.
Statutory	Specifies the utilization of a specific technology or other
Constraints	intervention at the maximum feasible or a specified level
(put an "X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time
,	Specifies a process for developing the regulation that constrains the outcome
	X Requires meeting an objective by a specified time
	Prohibits consideration of costs
	X Defines who or what is to be regulated
	Prescribes the method of the regulation or specifically proscribes certain approaches

	Requires a single standard applicable to all without exception or variation
	Requires meeting a specific overall target
	Requires meeting a general goal
	X Provides general authority and no target
	Specifically allows or requires consideration of costs
	Limits the fiscal impact
	Allows market mechanisms
	Allows exemptions or differential application
	Allows differential timing of application
	Others (describe)
Subject to Administrative Procedures Act?	Yes, with the following exceptions: Pursuant to Section 202 of the Fish and Game Code, recreational fishing regulations are not subject to the time periods for the adoption, amendment, or repeal of regulations prescribed in Sections 11343.4, 11346.4, 11346.8 and 11347.1.

Department	Office of Environmental Health Hazard Assessment (OEHHA)
Regulation Title	N/A
Authority	N/A
Description	N/A
Contacts	Allan Hirsch 916-324-2831 allan.hirsch@oehha.ca.gov Carol Monahan-Cummings 916-322-0493 carol.monahan-cummings@oehha.ca.gov Susan Villa 916-327-8044 susan.villa@oehha.ca.gov
Development Start Date	N/A
Regulation Adoption Date	N/A
Benefits	N/A
Costs and Impacts	N/A
Statutory Constraints	Specifies the utilization of a specific technology or other intervention at the maximum feasible or a specified level
(put an "X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time
	Specifies a process for developing the regulation that constrains the outcome
	Requires meeting an objective by a specified time

Prohibits consideration of costs
Defines who or what is to be regulated
Prescribes the method of the regulation or specifically proscribes certain approaches
Requires a single standard applicable to all without exception or variation
Requires meeting a specific overall target
Requires meeting a general goal
Provides general authority and no target
Specifically allows or requires consideration of costs
Limits the fiscal impact
Allows market mechanisms
Allows exemptions or differential application
Allows differential timing of application
Others (describe)

Department	Public Health
Regulation Title	Drinking Water Maximum Contaminant Level (MCL) for Hexavalent Chromium
Authority	Health and Safety Code, sections 131052, 131200, 116365, 116365.5, 116375, et al.
Description	Establish an MCL for Hexavalent Chromium. The regulation would require applicable Public Water Systems (water companies supplying drinking water for the public) to comply with the standard.
Contacts	David Mazzera, david.mazzera@cdph.ca.gov, 916-449-5600 Michael McKibben, Michael.McKibben@cdph.ca.gov, 619-525-4023
Development Start Date	Development began, in July 2011, but has been on-going to some extent for a number of years.
Regulation Adoption Date	Rough estimate: July 2014
Benefits	Reduction in risk of cancer/cancer cases from human exposure to hexavalent chromium in drinking water.
Costs and Impacts	 Costs for compliance monitoring (e.g. collecting and analyzing samples to determine compliance with the MCL); Costs for treatment to remove hexavalent chromium for public water systems out-of-compliance with the MCL; Costs for operation and maintenance of treatment facilities.
Statutory Constraints	Specifies the utilization of a specific technology or other intervention at the maximum feasible or a specified level
(put an "X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time
_ 300)	Specifies a process for developing the regulation that constrains the outcome
	X Requires meeting an objective by a specified time

	Prohibits consideration of costs
	X Defines who or what is to be regulated
	X Prescribes the method of the regulation or specifically proscribes certain approaches
	Requires a single standard applicable to all without exception or variation
	Requires meeting a specific overall target
	X Requires meeting a general goal
	Provides general authority and no target
	X Specifically allows or requires consideration of costs
	Limits the fiscal impact
	X Allows market mechanisms
	X Allows exemptions or differential application
	Allows differential timing of application
	Others (describe)
Subject to	*The proposed regulations directly impact public drinking water
Administrative	systems. Pursuant to Government Code Chapter 3.5, Article 2,
Procedures	Section 11342.610(b)(8), public water systems (i.e. utilities/water
Act?	companies) are excluded from the definition of small businesses. As a result, the subject regulation may not meet the definition of a major
	regulation, regardless of costs to the regulated community.
	Health and Safety Code, Section 116365.01, limits Department of
	Finance review of subject regulation to 90 days.

Attachment A

Department	Department of Resources Recycling and Recovery
Regulation Title	Beverage Container Recycling and Litter Reduction Act, Program Reform Rule Making
Authority	Public Resources Code – Division 12.1: California Beverage Container
	Recycling and Litter Reduction Act
Description	TITLE 14. CalEPA DIVISION 2. DEPARTMENT OF CONSERVATION CHAPTER 5. DIVISION OF RECYCLING
	The Beverage Container Recycling Program (BCRP) is currently operating under an approximately \$100 million annual structural deficit as a result of the combination of historically high recycling rates, mandated program payments and general fund loans. The structural deficit means that program expenditures exceed program revenues under the current mandated expenditure and revenue structure. Potential program reforms will be required to address the structural deficit of the Recycling Fund and ensure the integrity and long-term viability of the BCRP.
	The Department of Resources Recycling and Recovery (CalRecycle), Division of Recycling will host a series of workshops focused on potential solutions to the structural deficit in the Beverage Container Recycling Fund (Recycling Fund), and to ensure the long-term viability of the Beverage Container Recycling Program (Program). Department expects to conduct a least ten workshops on various topic between September 2012 through November 2012.
	This is a placeholder for potential Regulatory Action which may result in excess of \$50 million per year. CalRecycle Beverage Container Recycling Program Reform workshops may have recommend changes to regulation that would excess the dollar threshold.
Contacts	Mike Miller – (916) 323-0713, <u>mike.miller@calrecycle.ca.gov</u> John Halligan - (916) 323-5570, john.halligan@calrecycle.ca.gov George Donkor - (916) 323-5495, george.donkor@calrecycle.ca.gov
Development Start Date	March, 2013
Regulation Adoption Date	January, 2014
Benefits	Various Benefits, specifically related to the fiscal solvency of the Beverage Container Recycling Fund

Costs and Impacts	Combined Impact may exceed the \$50 Million threshold. Examples of fiscal impact: CCR Title 14, Dvision2, Subchapter 4, Section, 2310,2 F(3) Administrative fees, estimated impact to industry is \$27 Million Dollar Processing Fee Offset, estimated impact to industry is \$67 Million Comingled Rate Methodology – estimated impact to industry is \$20 million Various other rule making actions may result in \$30 Million to \$50 Million in additional impacts to Industry or the State. Specifies the utilization of a specific technology or other
Constraints	intervention at the maximum feasible or a specified level
(put an "X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time
•	Specifies a process for developing the regulation that constrains the outcome
	Requires meeting an objective by a specified time
THE COLUMN TO TH	Prohibits consideration of costs
ADDRESS OF THE PROPERTY OF THE	X Defines who or what is to be regulated
	Prescribes the method of the regulation or specifically proscribes certain approaches
	Requires a single standard applicable to all without exception or variation
	Requires meeting a specific overall target
	X Requires meeting a general goal
	Provides general authority and no target
	Specifically allows or requires consideration of costs

"Non

	Limits the fiscal impact
	Allows market mechanisms
	Allows exemptions or differential application
	Allows differential timing of application
	Others (describe)
Subject to Administrative Procedures Act?	NA

Department	Department of Resources Recycling & Recovery
Regulation Title	Person's Importing Regulations - Regulations associated with reporting and inspection of loads of used beverage containers (UBCs) imported into CA by individuals and entities in excess of the prescribed load limits
Authority	PRC 14596(a)
Description	The regulations would require all individuals or entities to complete and submit reports for all loads of UBCs imported into CA, which exceed the load limits prescribed in statue, prior to entry into CA. Regulations would also establish procedures for inspecting loads of UBCs by the Department and/or by and agency delegated to do so by the Department.
Contacts	John Halligan (916) 323-5570 John.Halligan@CalRecycle.ca.gov
	Victor Lum (916) 445-2663 <u>Victor.Lum@CalRecycle.ca.gov</u>
Development Start Date	Initial informal public workshop announcing CalRecycle's intent to pursue regulations was conducted on April 26, 2012
Regulation Adoption Date	Summer/Fall 2013
Benefits	Based upon data gathered at all 16 CDFA Plant Quarantine Inspection Stations as part of a three-month pilot program conducted in the summer of 2011, CDFA surveyed over 3,500 vehicles transporting at least 5 – 32 gallon trash bags full of UBCs into CA through CDFA monitored entry points. Approximately 500 of these vehicles were rental trucks full of UBCs. While it is not illegal to import UBCs into CA and sell the material at or below the current scrap value of the commodity, it is a felony crime to redeem imported UBCs for California Refund Value (CRV). Since the commodity scrap value is market driven, the UBCs is essentially the same in each state, CalRecycle has strong reason and observational evidence that the vast majority of the UBCs imported into CA are being redeemed illegally to collect CRV. The projected annual impact to the Beverage Container Recycling Fund (Fund) associated with the imported quantities of UBC material in rental trucks alone is conservatively estimated to be approximately

Persons Importing Regulations

\$5M annually. The regulations would allow the Department to require reporting and inspection of all loads of UBC materials imported by individuals and entities, which exceed the prescribed load limits in statue. Information gathered and inspections performed would allow the Department and the Department of Justice to pursue individuals and entities who are actively defrauding the Fund by redeeming imported UBCs for CRV. CalRecycle also believe that required reporting and inspection will serve as a significant deterrent to individuals and entities engaged in importing OOS UBCs into CA as they would be required to submit the reports acknowledging that they understand that redeeming OOS UBCs in CA is a crime. These acknowledgments would be provided to DOJ to use a proof these individuals & entities to use to prove intent to defraud if the UBC materials are found to have been redeemed for CRV.

Costs and Impacts

- Effective FY 12/13, Department contracted with CDFA Plant Quarantine Inspection Station to conduct the monitoring and inspection of all vehicles at a cost of \$1.4M per FY.
- Reporting requirements will likely add costs for any individual and entities who is importing UBC materials into the state, even if they are legitimate businesses seeking only to sell the UBC materials for scrap value only.
- Failure to provide required reports and/or allowing inspection of loads of UBCs upon entering into CA could result in the individuals and entities to be restricted from entering into CA until the required reports and/or inspections are completed and submitted as required.
- Pending amendments to the statute requires all vehicles importing more than the prescribed load limits to pass through a CDFA Plant Quarantine Inspection Station. Although the majority of commerce imported into CA passes through one of the 16 CDFA stations, additional costs may be incurred for individual and/or entities who are required to alter their routes to meet the requirement to pass through a CDFA station.
- Depending upon the level of the prescribed load limits in statute, members of the public who are returning to CA with used beverage containers that they purchased in CA, and subsequently paid CRV, could be subject to the reporting and inspection requirements.
- Potential case workload for the Department of Justice could increase significantly based upon the data/information gathered about individuals and/or entities importing UBCs into CA through at CDFA stations.
- If adopted, the regulations would represent a significant data / information collection requirement for individuals and entities that may not be CA citizens and/or have a business presence in CA.
- While it is not currently possible to document the impact, it may be \$30M to \$50M annually.

Persons Importing Regulations

Statutory Constraints	Specifies the utilization of a specific technology or other intervention at the maximum feasible or a specified level
(put an "X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time Specifies a process for developing the regulation that constrains the outcome
	Requires meeting an objective by a specified time
	Prohibits consideration of costs
	X Defines who or what is to be regulated
	Prescribes the method of the regulation or specifically proscribes certain approaches
	Requires a single standard applicable to all without exception or variation
	Requires meeting a specific overall target
	Requires meeting a general goal
	Provides general authority and no target
	Specifically allows or requires consideration of costs
	Limits the fiscal impact
	Allows market mechanisms
	Allows exemptions or differential application
: :	Allows differential timing of application
	Others (describe)

Persons Importing Regulations

Subject to	PRC 14599 provides the Department with the permissive ability to
Administrative	pursue emergency regulations to implement this chapter.
Procedures	
Act?	

Department	California Board of Forestry and Fire Protection - California
	Department of Forestry and Fire Protection
Regulation	"State Responsibility Area Fire Prevention Benefit Fee"
Title	
Authority	Title 14 California Code of Regulations, Chapter 13, Sections 1665.1-
	1665.8. Authorized by Public Resources Code Section 4210, et seq.
Description	The regulation creates procedures for implementation and collection of
	an annual fee for State fire prevention services in designated State
	Responsibility Areas (SRA). The annual fee is to be collected from all
	property owners with one or more "habitable structures" in SRA.
Contacts	Eric Huff, Regulations Coordinator
	CAL FIRE-Board of Forestry and Fire Protection
	P.O. Box 944246
	Sacramento, CA 94244-2460
	916-616-8643; <u>eric.huff@fire.ca.gov</u>
	George Gentry, Executive Officer
	Board of Forestry and Fire Protection
	Same address as above
	916-653-8007; george.gentry@fire.ca.gov
Development	Emergency regulations are expected to remain in effect until January
Start Date	2013. "Permanent" regulations through the normal APA rulemaking
- American Principal Control of C	process that would succeed the emergency adoption are in
	development. An initial hearing on a 45-day Notice of Rulemaking is
	expected to occur in December 2012.
Regulation	The succeeding "permanent" regulations could be adopted on
Adoption Date	December 7, 2012 and become effective in January 2013.
Benefits	The fire prevention activities of the California Department of Forestry
	and Fire Protection would be funded by the service fee rather than the
	State's General Fund. Fire prevention activities include public
	education, fuel hazard reduction and strategic fuel break development
	to create fire-resilient landscapes, defensible space creation around
	structures, and homeowner compliance inspections, among other
	things.
Costs and	The annual fee collected from owners of "habitable structures" in SRA
Impacts	is \$150.00 per structure with a possible deduction of \$35.00 per
S. Landerson	structure where a homeowner is part of a local service district that
The state of the s	provides fire prevention services. It is estimated that there are nearly
	800,000 habitable structures in SRA that would generate
	approximately \$85 million dollars in fees. Annual combined

administrative costs incurred by the Board and Department of Forestry and Fire Protection, and Board of Equalization is estimated at \$14 million dollars. Statutory Specifies the utilization of a specific technology or other Constraints intervention at the maximum feasible or a specified level (put an "X" in Requires the use of the maximum effective technology all applicable available as of a specified time boxes) Specifies a process for developing the regulation that Χ constrains the outcome Χ Requires meeting an objective by a specified time Prohibits consideration of costs Defines who or what is to be regulated Χ Prescribes the method of the regulation or specifically Χ proscribes certain approaches Requires a single standard applicable to all without exception or variation Χ Requires meeting a specific overall target Requires meeting a general goal Provides general authority and no target Specifically allows or requires consideration of costs Limits the fiscal impact Allows market mechanisms Χ Allows exemptions or differential application Allows differential timing of application Others (describe)

Subject to	Fully subject to APA.
Administrative	
Procedures	
Act?	

Department	6360 Commission on Teacher Credentialing		
Regulation Title	N/A		
Authority	N/A		
Description	N/A		
Contacts	Mariah Kirk, 322-0214, mkirk@ctc.ca.gov		
Development Start Date	N/A		
Regulation Adoption Date	N/A		
Benefits	N/A		
Costs and Impacts	N/A		
Statutory Constraints	Specifies the utilization of a specific technology or other intervention at the maximum feasible or a specified level		
(put an "X" in all applicable boxes)	Requires the use of the maximum effective technology available as of a specified time Specifies a process for developing the regulation that constrains the outcome		

*

		Requires meeting an objective by a specified time
		Prohibits consideration of costs
		Defines who or what is to be regulated
		Prescribes the method of the regulation or specifically proscribes certain approaches
		Requires a single standard applicable to all without exception or variation
		Requires meeting a specific overall target
		Requires meeting a general goal
		Provides general authority and no target
		Specifically allows or requires consideration of costs
		Limits the fiscal impact
		Allows market mechanisms
		Allows exemptions or differential application
		Allows differential timing of application
		Others (describe)
Subject to Administrative Procedures Act?	N/A	